

AMENDED IN SENATE APRIL 2, 2013

SENATE BILL

No. 628

Introduced by Senator Beall

February 22, 2013

An act to ~~amend Sections 53395.1, 53395.3, 53395.10, 53395.11, 53395.12, 53395.14, 53395.19, 53395.20, 53396, 53397.1, and 53397.2 of, and to add Sections 53395.7.5 and 65460.2.5 to, add Section 53395.7.5 to~~ the Government Code, relating to local planning.

LEGISLATIVE COUNSEL'S DIGEST

SB 628, as amended, Beall. Infrastructure ~~financing~~; *financing: transit priority projects*.

(1) Existing law establishes the Transit Priority Project Program, and authorizes a city or county to participate in the program by adopting an ordinance indicating its intent to participate in the program and by forming an infrastructure financing district. Existing law requires a city or county that elects to participate in the program to amend, if necessary, its general plan, and any related specific plan, to authorize participating developers to build at an increased height of a minimum of 3 stories within the newly created infrastructure financing district. Existing law exempts from these provisions a city or county that has adopted specified language in its charter, or by ordinance or resolution. *Under existing law, a transit priority project that meets specified criteria is designated as a sustainable communities project, and is thus exempt from certain environmental review requirements.*

This bill would eliminate the requirement of voter approval for ~~the adoption of an infrastructure financing plan~~, the creation of an infrastructure financing district, ~~and the issuance of bonds, and the establishment or change of the appropriations limit~~ with respect to a

transit priority project. The bill would require a city or county that uses infrastructure financing district bonds to finance its transit priority project to use at least 20% of the ~~revenue from those bonds associated property tax increment revenues~~ for the purposes of increasing, improving, and preserving the supply of lower and moderate-income housing; ~~to require that those housing units remain housing available in the district and occupied by persons and families of moderate-, low-, very low, and extremely low income households for at least 55 years for rental units and 45 years for owner-occupied units; and to rehabilitate, develop, or construct for rental or sale to persons and families of low or moderate income an equal number of replacement dwellings to those removed or destroyed from the low- and moderate-income segment of the housing market as a result of the development of the district, as specified.~~ The bill would set forth the findings and declarations of the Legislature, and the intent of the Legislature that the development of transit priority projects be environmentally conscious and sustainable, and that related construction meet or exceed the requirements of the California Green Building Standards Code.

~~(2) Existing law prohibits the legislative body of a city or county from enacting a resolution proposing the formation of an infrastructure finance district and providing for the division of taxes of any affected taxing entity unless a resolution approving the plan has been adopted by the governing body of each affected taxing entity that is proposed to be subject to the division of taxes has been filed with the legislative body at or prior to the time of the hearing.~~

~~This bill would require, in the case of an affected taxing entity that is a special district that provides fire protection services and where the county board of supervisors is the governing authority or has appointed itself as the governing board of the district, that the proposed infrastructure financing district plan be adopted by a separate resolution approved by the special district's governing authority or board.~~

~~This bill would also eliminate the requirement of voter approval and authorize the legislative body to create the district, adopt the plan, and issue the bonds by resolutions.~~

~~(3) Existing law requires that an infrastructure financing plan created by a legislative body to include a date on which the infrastructure finance district will cease to exist, which shall not be more than 30 years from the date on which the ordinance forming the district is adopted.~~

~~This bill instead would specify that the date on which the infrastructure finance district would cease to exist would not be more than 40 years from the date on which the legislative body adopted the resolution adopting the infrastructure financing plan.~~

~~The bill would also impose additional reporting requirements after the adoption of an infrastructure financing plan.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) *The Legislature finds and declares all of the*
2 *following:*
3 (1) *The transportation sector contributes over 40 percent of the*
4 *greenhouse gas emissions in the State of California.*
5 (2) *Greenhouse gas emissions from automobiles and light trucks*
6 *can be substantially reduced by new vehicle technology and by*
7 *the increased use of low-carbon fuel. However, even taking these*
8 *measures into account, it will be necessary to achieve significant*
9 *additional greenhouse gas reductions from changed land use*
10 *patterns and improved transportation.*
11 (3) *California local governments need sustainable funding*
12 *sources to accommodate transportation and land use planning*
13 *and to develop projects that are consistent with the state's climate,*
14 *air quality, and energy conservation goals.*
15 (4) *Existing law authorizes cities and counties to create*
16 *infrastructure financing districts (IFDs) and utilize related*
17 *tax-increment financing for infrastructure improvements in local*
18 *jurisdictions.*
19 (5) *Tax-increment financing of transit priority projects, through*
20 *the use of IFDs, will provide a new tool for green development to*
21 *help achieve the sustainable communities strategy and regional*
22 *transportation plan goals of Senate Bill 375 of the 2007–08*
23 *Regular Session of the Legislature (Chapter 728 of the Statutes of*
24 *2008), as well as the greenhouse gas reduction goals of Assembly*
25 *Bill 32 of the 2005–06 Regular Session of the Legislature (Chapter*
26 *488 of the Statutes of 2006).*
27 (6) *Recent studies of transit ridership in California indicate*
28 *that people who live within a one-half mile radius of transit stations*

1 *utilize the transit system in far greater numbers than does the*
2 *general public living elsewhere.*

3 *(7) Greater use of public transportation, facilitated by the*
4 *development of transit priority projects, will increase the*
5 *development of walkable, mixed-use communities; increase the*
6 *use of public transit, intercity rail, and future high-speed rail*
7 *services; improve local street, road, and highway congestion;*
8 *provide viable alternatives to automobile use; and decrease*
9 *transportation-related emissions.*

10 *(8) Investment in local transit priority project development can*
11 *improve local and regional economies by providing appropriate*
12 *commercial and residential development opportunities, including*
13 *job creation through the construction of related facilities, and job*
14 *creation through employment opportunities associated with related*
15 *entertainment, retail, residential, and other mixed-use development.*

16 *(9) Expediting the process for local governments to create IFDs*
17 *to implement transit priority projects will provide significant*
18 *environmental and economic benefits to local jurisdictions and*
19 *help meet the state's climate, air quality, and energy conservation*
20 *goals.*

21 *(b) It is the intent of the Legislature that the development of*
22 *transit priority projects throughout the state be environmentally*
23 *conscious and sustainable, and that related construction meet or*
24 *exceed the requirements of the California Green Building*
25 *Standards Code (Part 11 (commencing with Section 101.1) of Title*
26 *24 of the California Code of Regulations, or its successor code).*

27 *SEC. 2. Section 53395.7.5 is added to the Government Code,*
28 *to read:*

29 *53395.7.5. (a) The district may finance any project that*
30 *implements a transit priority project pursuant to Section 21155 of*
31 *the Public Resources Code, regional transportation plan, or other*
32 *project that is consistent with the general use, designation, density,*
33 *building intensity, and applicable policies specified for the project*
34 *area in either a sustainable communities strategy, or an alternative*
35 *planning strategy, for which the State Air Resources Board,*
36 *pursuant to Chapter 2.5 (commencing with Section 65080) of*
37 *Division 1 of Title 7, has accepted a metropolitan planning*
38 *organization's determination that the sustainable communities*
39 *strategy or the alternative planning strategy, if implemented, would*
40 *achieve the greenhouse gas emission reduction targets.*

1 ***(b) With respect to an infrastructure financing district proposed***
2 ***to implement a transit priority project pursuant to Section 21155***
3 ***of the Public Resources Code, an election is not required to form***
4 ***an infrastructure financing district, issue bonds, or establish or***
5 ***change the appropriations limit pursuant to this chapter.***

6 ***(c) At least 20 percent of all revenues derived from the property***
7 ***tax increment under this chapter shall be used for the purposes of***
8 ***increasing, improving, and preserving the supply of lower and***
9 ***moderate-income housing available in the district at an affordable***
10 ***housing cost, as defined in Section 50052.5 of the Health and***
11 ***Safety Code, and occupied by persons and families of low or***
12 ***moderate income, as defined in Section 50093 of the Health and***
13 ***Safety Code, lower income households, as defined in Section***
14 ***50079.5 of the Health and Safety Code, very low income***
15 ***households, as defined in Section 50105 of the Health and Safety***
16 ***Code, and extremely low income households, as defined in Section***
17 ***50106 of the Health and Safety Code.***

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20 **All matter omitted in this version of the bill**
21 **appears in the bill as introduced in the**
22 **Senate, February 22, 2013. (JR11)**
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